



CITY OF LOWELL

Residential Energy Efficient Loan (REEL) Program

NOTICE OF FUNDING AVAILABILITY

Loan Program Application Forms and Guidelines

PROJECT PROPOSALS WILL BE ACCEPTED ON A ROLLING BASIS

The City of Lowell Residential Energy Retrofit Program is designed to assist individual residential building owners throughout the City to complete energy efficiency retrofits to occupied buildings. This program is funded by the City of Lowell through the Energy Efficiency and Conservation Block Grant Program, a Federal Recovery Act grant administered by the Department of Energy, in partnership with a coalition of local lenders and financial institutions managed by the Lowell Development and Financial Corporation.

Individuals owning residential property with 1 – 4 units in the City of Lowell may apply for EECBG funds for eligible projects in amounts ranging from \$5,000 to \$20,000 in the form of low-interest loans.

Projects are encouraged to take advantage of all available utility company rebate programs and to consult their tax advisors regarding federal tax deductions for energy efficiency retrofit projects.

Application Process: This document details the project Pre-Application submittal to the Lowell Department of Planning and Development and the Financial Application submittal to and approval by the LDFC.

For more information contact: Craig Thomas, Assistant Planner
City of Lowell Department of Planning and Development
City Hall, 375 Merrimack St., Lowell, MA 01852
Phone: (978) 446-7200 Fax: (978) 446-7014

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PROGRAM GUIDELINES AND APPLICATION

1.0 Background:

The Energy Efficiency and Conservation Block Grant Program (EECBG) is an ARRA-funded initiative of the Federal Department of Energy to promote energy efficiency and conservation in buildings. The purpose of the EECBG program is to assist communities in creating and implementing strategies to:

- Reduce fossil fuel emissions in a manner that is environmentally sustainable, and to the greatest extent practical, maximize benefits for local and regional communities;
- Reduce the total energy use of the eligible entities; and
- Improve energy efficiency in the building sector and other appropriate sectors.

A \$350,000 loan pool is available to support these efforts. The Loan pool, managed for the City of Lowell, by the Lowell Development and Financial Corporation, serves as a financial incentive program for individuals seeking to implement energy efficiency enhancements and renewable energy to existing occupied residential buildings and to meet or exceed energy standards enumerated in the Massachusetts “Stretch” Energy code. Participants are expected to demonstrate a reduction in existing energy use by 15%, based on analysis provided in an energy audit.

Program funds will be secured by second position mortgages on the real estate to be improved and borrowers would be subject to traditional underwriting standards of the lenders. It is anticipated that the energy savings from the retrofits can be used to indirectly finance the debt service costs through reduced monthly utility bills for the borrower. As part of the application process property owners will be required to obtain an energy audit for their building identifying proposed efficiency enhancements to be implemented, and the expected reduction in energy use. Funds can only be used for energy retrofit projects identified in the audit. Property owners must also take advantage of all available utility rebate programs before utilizing these funds.

Additional financial incentives for greater energy efficiency: Property owners seeking to implement energy efficiency enhancements will find that there are a number of incentive programs available from the State and Federal government, utility programs, and other non-profit organizations serving specific segments of the community.

National Grid, Lowell’s gas and electricity utility, provides a number of incentives and technical assistance programs for residential buildings. The MassSave web site (www.masssave.com) provides an overview of incentives and programs available to residential and commercial customers. Technical energy audits may be requested under the MassSave program and are a good place to start when looking to improve energy efficiency at your home.

Community Teamwork Inc., is the local organization that provides weatherization services, heating repair or replacement, and other energy assistance programs for residents that are eligible for fuel assistance. Call CTI at 978-459-6161 if you qualify under the income.

Energy Star Buildings: Some buildings will even be able to qualify for the EPA’s Energy Star designation, which tends to increase the value of buildings in the marketplace by 10-15% on average. The Energy Star program also provides a number of efficiency programs for residential buildings, including grants for retrofits that achieve a minimum efficiency standard.

2.0 Pre-Application Process:

All project applicants will be required to complete a Pre-Application form (see attached), which will certify that the project meets the minimum requirements of the Lowell Residential Energy Retrofit Loan. In brief, the project requirements include the following:

- Reduce energy consumption by a minimum of 10% of the building's total energy use. The building must have been occupied for the prior 12 months so that energy savings can be measured.
- Identify other energy efficiency and renewable energy incentive programs and technical assistance that will be utilized to implement energy enhancements in the building.
- Fully measure and document targeted energy savings from each element of the retrofit project as proposed in the pre-application and application. This type of information is typically provided in a home energy audit report.
- Energy audits must include a blower door test to identify areas in the building that need weatherization and to show adequate air quality.
- Any exterior improvements will need to be compatible with existing neighborhood character and if applicable be consistent with any neighborhood historic district design standards.

Once the pre-application has been reviewed and approved, applicants will submit a Loan Application to the Lowell Development & Financial Corporation. Once approved by the Lowell Department of Planning and Development, the pre-application form will serve as certification of eligibility for the LDFC to begin the loan process.

3.0 Eligibility Requirements:

Residential Building: Existing residential buildings with 1 – 4 units located within the City of Lowell. New Construction or commercial buildings **are not eligible** for this program.

Energy Reduction: the project will result in a measurable energy savings, at a minimum, exceeding 10% reduction of total energy use.

Compliance with City tax and code requirements: Properties or property owners that owe back taxes to the City of Lowell, or have an unresolved code violation or City lien(s) against their property **are not eligible for funding** under this program.

Required permits: Applicants must obtain required permits from the City of Lowell for building, electrical and plumbing projects completed as part of this planned retrofit project. For assistance, please contact the Division of Development Services at 978-674-4414.

4.0 Use of Funds and General Requirements:

- **Permitted Use of Funds:** Funds can be used for equipment purchase and installation, electrical and/or HVAC system upgrades, weatherization, insulation, repairs to existing windows, interior storm windows, and other approved energy efficiency retrofits that will reduce building energy use by at least 10%. Funds cannot be used to refinance existing debt or obligations.
- **Energy Audit/ Consulting Services:** The cost associated with the energy audit can be rolled into the loan once the pre-application has been approved by DPD and the LDFC has approved the loan application.

- **Renewable Energy Equipment:** Funds may be used for the purchase of renewable energy equipment and its installation. Applicants are strongly encouraged to seek additional State and Utility incentives.
- **Safety & Environmental Mitigation:** Funds may be used to correct environmental or safety hazards if necessary before implementing energy enhancements. For example, funds may be used to remove asbestos, knob and tube electrical wiring, or lead paint. The applicant must be able to demonstrate the work is directly related to proposed energy enhancements. Please note that there are other programs that may be available to assist in funding mitigation procedures, such as the City's Lead Paint Program.
- **ARRA requirements:** A large portion of the loan pool is funded from Energy Efficiency and Conservation Block Grant (EECBG) Program. As a result, the project is expected to fulfill Federal American Recovery and Reinvestment Act (ARRA) requirements, particularly as they relate to project impacts upon the environment, and energy utilization and savings. Please note that residential buildings owned by an individual are exempt from Davis Bacon prevailing wage requirements for construction activities; any retrofits to buildings owned by a company or limited partnership will need to pay Davis Bacon Wages for all construction activities funded in part or wholly by this program.

5.0 Loan Terms and Requirements:

- **Interest Rate:** 1%
- **Term:** 5 years
- **Minimum Loan Amount:** In order to be eligible, the cost of the retrofit project to the applicant must be \$5,000 or more after applying all available utility rebates and other grants. The minimum loan amount will be \$5,000.
- **Maximum Loan Amount:** Loans will not exceed \$20,000 for a single family building plus \$10,000 per each additional dwelling unit for each property under one ownership structure. For example the maximum loan amount for a 4-unit residential building will be \$50,000.
- **Equity Requirements:** Borrower equity required in an amount to be determined based on project.
- **Collateral:** Collateral will be required in the form of real estate, business assets, and/ or personal guarantees of the business owner.

6.0 Financial Application Process:

NOTE: Projects will be reviewed on a rolling basis as they are received.

6.1 Pre-Application Process:

- **Pre-Application form submittal:** Applicants must submit a complete Pre-Application Form to the City of Lowell Department of Planning and Development.

- The Project Review Committee will review the application to evaluate the project's technical merit and certify that the project is eligible for funding under the program guidelines.

Financing Questions? The applicant may contact either the City of Lowell Department of Planning and Development (DPD) at 978-446-7200 or the Lowell Development and Financial Corporation (LDFC) at (978) 459-9899 with questions about financing. If it is determined that the concept meets all of the requirements evaluated during the pre-application, the applicant will be asked to submit a Financial Application to the LDFC. During the Financial Application process, financial underwriting will be conducted to ensure the viability of the proposed project.

6.2 Loan Application Process:

- **Financial Application submittal:** Once the applicant has been informed in writing that the Pre-Application has been approved, the applicant should send the **Financial Application** directly to the Lowell Development and Financial Corporation.
- **Review by the Energy Loan Credit Review Committee of the LDFC:** The project will be presented to the Energy Loan Credit Review Committee (ELCRC) of the LDFC. After review, the committee will make a recommendation to the executive board of the LDFC regarding project funding. At the discretion of the LDFC, the applicant may be asked to submit additional information at this time.
- **Approval by the LDFC Executive Board:** If recommended by the subcommittee, the project will be approved or rejected by the executive board of the LDFC, and the applicant will be notified in writing. **The executive board meets on the third Thursday of each month.**
- **Loan Closing/Post Loan Activities:** Should the loan be approved, the applicant will work with LDFC to close on the loan. The applicant will pay all the legal costs associated with the loan closing.
- **Compliance Monitoring:** The applicant will also be monitored periodically by the City of Lowell to ensure compliance with the EECBG program. Individuals that are property owners contracting directly with contractors are exempt from Davis Bacon requirements. All other recipients will be asked to make contractor records and payrolls available to the City exclusively for this purpose. Construction work must also adhere to the Massachusetts building code, stretch energy code, and obtain all required permits prior to beginning work.

Lowell Residential Energy Efficiency Loan (REEL) Program Pre-Application Form Cover Sheet

Please fill out the Pre-Application form that follows, and mail or hand-deliver one (1) signed original and three (3) copies between 8:00 am and 5:00 pm to:

**Craig Thomas
City of Lowell Department of Planning and Development
375 Merrimack Street
Room 51
Lowell, MA 01852**

Phone: (978) 446-7200 Fax: (978) 446-4262

Please attach the following required documents to this Pre-Application form:

- **Facility Energy Audit Report**, including Auditor's name, Employer and Certification(s); please include Portfolio Manager report on facility if available.
- **Electricity and Heating Fuel Use** for prior 13 months (attach bills or data with meter/account #'s)
- **A Project Plan**, specifying all equipment, showing life cycle costs and energy reduction predictions for all elements of the project, estimated cost savings and a project timeline.
- **Appendix A: Data Verification and Reporting Authorization**
- **Appendix B: Summary of key data from energy audit**

FOR OFFICE USE ONLY

Date Pre-Application Received by the City of Lowell: _____

Date Pre-Application Approved or Disapproved: _____

**City of Lowell
Residential Energy Efficient
Retrofit Loan**

Internal Use Only

Date Received:

Proposal #:

I. CONTACT INFORMATION

Applicant Name:

**Building Information
Address:**

Phone:

Email (not required):

Building Street Address:

Building size (square feet):

Amount of Loan Request: _____

Total Project Cost: _____

Building type(s) of building:

Total Household Income: _____

Apartment Building: _____ **# of units:** _____

Number of persons in household: _____

Owner Occupied Building: _____ **# of units:** _____

Note: This information will help us determine if you are eligible for weatherization assistance grants from Community Teamwork, Inc.

Anticipated Start Date: _____

Signature:

Anticipated Completion Date: _____

Energy Audit Consultant:

Audit Date:

II. PROJECT BUDGET

Budget Description: Please provide a budget for the proposed project. Include all proposed expenses and funding sources. Loan recipients & the City will have an opportunity to create a more detailed budget upon notification of the project's acceptance. **PLEASE NOTE:** construction activities funded through this federal program may be required to be bid using Davis Bacon wage scales. Individuals applying for funds and securing contracts directly with contractors will not be required to use David Bacon wage scales.

A. Non-Construction Activities

Description	Utility provided	Lowell Res. Retrofit Loan	Owner Contribution	Other	TOTAL
Audit and Design					
Light Bulb Replacement					
Equipment Purchase					
Other (specify)					
Total Proposed Budget					

B. Construction Activities

Description	Utility provided	Lowell Res. Retrofit Loan	Owner Contribution	Other	TOTAL
Equipment Installation					
Insulation & Weatherization					
Lighting Retrofits					
Other (specify)					
Total Proposed Budget					

III. GENERAL DESCRIPTION

1. Brief Narrative Project Description (please avoid using abbreviations):

IV. ATTACHMENTS

The following attachments must accompany this proposal:

- **Facility Energy Audit Report**, including Auditor's name, Employer and Certification(s); please include a complete copy of the full audit report.
- **Electricity and Heating Fuel Use** for prior 13 months (attach bills or data with meter/account #'s)
- **A Project Plan**, specifying all equipment, showing life cycle costs and energy reduction predictions for all elements of the project, estimated cost savings and a project timeline.
- **Appendix A: Data Verification and Reporting Authorization**
- **Appendix B: Summary of key data from energy audit**

PRINT THIS FORM AND ENCLOSE WITH THE REQUIRED ATTACHMENTS AND MAIL OR HAND DELIVER IT TO THE FOLLOWING ADDRESS:

**City of Lowell, Department of Planning and Development
Attn: Amy Janovsky
JFK Civic Center, 50 Arcand Drive
Lowell, MA 01852
978-446-7200**

Please contact Amy Janovsky at ajanovsky@lowellma.gov with any questions about this application.

Appendix A
Lowell Residential Energy Efficiency Loan (REEL) Program
PRE-APPLICATION

AUTHORIZATION TO VERIFY AND REPORT DATA

This loan program is funded through the Department of Energy's Energy Efficiency and Conservation Block Grant (EECBG) program, funded with the American Recovery and Reinvestment Act (ARRA). To be eligible for EECBG funding, projects are required to collect and supply to the City of Lowell a variety of energy use data along with other project information that will be aggregated and used to evaluate the program's effectiveness. Any information disclosed to DOE will be identified only by zip code to protect individual privacy and client confidentiality.

The undersigned authorizes the City of Lowell to verify all information furnished in connection with the application for a loan under the Department of Energy's EECBG program. The information that may be verified includes, but is not limited to the following: energy use data for all forms of heat and electricity, retrofit project scope, tax payment status, liens against the property, code violations.

Applicant's Signature

Date (mm/dd/yy)

Appendix B
Lowell Residential Energy Efficiency (REEL) Program
FINANCIAL APPLICATION

Energy Audit Findings Summary Table

Summary of Audit findings: Please summarize the audit findings in narrative form.

Recommendations: Please list recommended retrofit project elements by priority.

- 1.
- 2.
- 3.
- 4.
- 5.
- 6.
- 7.
- 8...

Building Size (SF)			
# Residential Units			
Total Electricity Use during prior 12 months	KWH		\$ cost
Total Heating Fuel Use:	Fuel type	Units	\$ cost
Projected savings In Electricity Use	KWH		\$ cost savings
Projected savings In Heating Fuel Use	Fuel type	Units	\$ cost savings

FINANCIAL APPLICATION COVER SHEET

Please send/deliver ten copies (10) the completed Financial Application to:

James Cook
Executive Director
Lowell Development & Financial Corporation
11 Kearney Square
Lowell, MA 01852
Phone: (978) 459-9899
Fax: (978) 454-7637

IMPORTANT: The FINANCIAL APPLICATION WILL BE DUE **5 WORK DAYS PRIOR** to the meeting of the Energy Loan Credit Review Committee (ELCRC) Lowell BetterBuildings Sub-Committee, which meets on the **1st Thursday** of every month.

FOR OFFICE USE ONLY

Date Pre-Application Approved:

Date Full Financial Application Received by the LDFC:

Date Approved by the Executive Committee:

The Residential Energy Efficiency Loan (REEL) Program

FINANCIAL APPLICATION

The Financial Application will be reviewed to determine whether the proposed project meets criteria for financial soundness.

Please ensure that you submit each of the documents listed below:

- ☐ **Pre-approval letter from City of Lowell – Division of Planning & Development.**
- ☐ **Copy of Pre-Application submitted to DPD, including:**
 - **Facility Energy Audit Report**, including Auditor's name, Employer and Certification(s); please include Portfolio Manager report on facility if available.
 - **Electricity and Heating Fuel Use** for prior 13 months (attach bills or data with meter/account #'s)
 - **A Project Plan**, specifying all equipment, showing life cycle costs and energy reduction predictions for all elements of the project, estimated cost savings and a project timeline.
 - **Appendix A: Data Verification and Reporting Authorization**
 - **Appendix B: Summary of key data from energy audit**
- ☐ **Signed Appendix C, allowing the LDFC to obtain personal credit reports.**
- ☐ **Signed Appendix D, the Public Information Disclosure form**
- ☐ **Copy of bids for the proposed retrofit from three acceptable contractors.**
- ☐ **Evidence of borrower(s) equity portion of the proposed retrofit.**
- ☐ **Tax returns for the previous three years.**
- ☐ **A copy of the most current mortgage statement showing the balance**
- ☐ **and the updated personal financial statement (Appendix E).**
- ☐ **Any other information the LDFC deems necessary.**
- ☐ **NOTE: Before final disbursement of loan funds, a post-construction inspection will be conducted. Upon certification that the project is complete and functional, and that any required City final inspections have been completed, final funds will be released.**

CERTIFICATION

I CERTIFY THAT THE INFORMATION INCLUDED IN THIS APPLICATION IS ACCURATE AND COMPLETE.

Applicant's Signature: _____

Date: _____

Appendix C
Lowell Residential Energy Efficient Loan (REEL) Program
FINANCIAL APPLICATION

REQUEST FOR CREDIT REPORT

I/ we authorize the Lowell Development and Finance Corporation to obtain a copy of my personal credit history and business credit history.

NAME: _____
(PLEASE PRINT)

DATE OF BIRTH: _____

SOCIAL SECURITY NUMBER (SSN): _____

SPOUSE NAME: _____
(if applicable) (PLEASE PRINT)

SPOUSE'S SOCIAL SECURITY NUMBER (SSN):

BUSINESS NAME: _____

CURRENT PERSONAL ADDRESS:

(Signature)

(Spouse signature, if applicable)

_____(DATE)

Appendix D
Lowell Energy Efficiency Loan Program
FINANCIAL APPLICATION

PUBLIC INFORMATION DISCLOSURE

This grant and loan program is funded through the Energy Efficiency Community Block Grant Program (EECBG) which is funded by the Federal government's Recovery Act.

I understand and agree that this application for an ARRA-funded EECBG grant involving the use of public funds requires information to be provided that may be made public pursuant to the statutes of the United States of America and the Commonwealth of Massachusetts.

I understand that energy usage data, identified only by my zipcode, will be added to data reported to the Department of Energy, which is administering this grant. It will be used to assess the success of retrofits to my property and to measure the grant program's success. In addition, the LDFC and the City of Lowell will be required to submit financial data in aggregate to the Department of Energy. This information will not contain financial data that will be identifiable as pertaining to any individual or business entity.

Applicant's Signature

Date (mm/dd/yy)